

Kirkuk-Yumurtalik pipeline system, and sales of humanitarian goods to Iraq, pursuant to United Nations approval. A general license was also added to authorize dealings in Iraqi-origin petroleum and petroleum products that have been exported from Iraq with United Nations and United States Government approval. The rule also added definitions and made technical amendments. A copy of the amendment is attached.

All executory contracts must contain terms requiring that all proceeds of oil purchases from the Government of Iraq, including the State Oil Marketing Organization must be placed in the U.N. escrow account at Banque Nationale de Paris, New York (the "986 Escrow Account"), and all Iraqi payments for authorized sales of pipeline parts and equipment, humanitarian goods, and incidental transaction costs borne by Iraq will, upon approval by the UNSC committee established pursuant to the 661 Committee, be paid or payable out of the 986 Escrow Account.

3. Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. Several cases from prior reporting periods are continuing and recent additional allegations have been referred by OFAC to the U.S. Customs Service for investigation. Several OFAC civil penalty proceedings are pending. Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government procurement network. These investigations may lead to additions to OFAC's listing of individuals and organizations determined to be Specially Designated Nationals (SDNs) of the Government of Iraq.

Since my last report, three civil monetary penalties totaling \$102,250 have been collected from one financial institution and two individuals for violation of the prohibitions against transactions with Iraq. Additional administrative procedures have been initiated and others await commencement.

4. Pursuant to Executive Order 12817 implementing UNSCR 778, on October 26, 1992, OFAC directed the Federal Reserve Bank of New York to establish a blocked account for receipt of certain post-August 6, 1990, Iraqi oil sales proceeds, and to hold, invest, and transfer these funds as required by the Order. On December 13, 1996, OFAC directed the Federal Reserve Bank of New York to transfer the interest accrued on the blocked account to the U.N. escrow account established pursuant to UNSCR 778, to match contributions in excess of \$30 million by other countries.

5. The Office of Foreign Assets Control has issued a total of 653 specific licenses regarding transactions pertaining to Iraq and Iraqi assets since August 1990. Licenses have been issued for transactions such as the filing of legal actions against Iraqi governmental entities, legal representation of Iraq, and the exportation to Iraq of donated med-

icine, medical supplies, and food intended for humanitarian relief purposes, the execution of powers of attorney relating to the administration of personal assets and decedents' estates in Iraq and the protection of preexistent intellectual property rights in Iraq. Since my last report, 23 specific licenses have been issued.

6. The expenses incurred by the Federal Government in the 6-month period from August 2, 1996, through February 1, 1997, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are reported to be about \$1 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of International Organization Affairs, the Bureau of Political-Military Affairs, the U.S. Mission to the United Nations, and the Office of the Legal Adviser), and the Department of Transportation (particularly the U.S. Coast Guard).

7. The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, Iraqi recognition of Kuwait and the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait, renunciation of terrorism, an end to internal Iraqi repression of its own civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. Six years after the invasion, a pattern of defiance persists: a refusal to account for missing Kuwaiti detainees; failure to return Kuwaiti property worth millions of dollars, including military equipment that was used by Iraq in its movement of troops to the Kuwaiti border in October 1994; sponsorship of assassinations in Lebanon and in northern Iraq; incomplete declarations to weapons inspectors and refusal of unimpeded access; and ongoing widespread human rights violations. As a result, the U.N. sanctions remain in place; the United States will continue to enforce those sanctions under domestic authority.

The Bagdad government continues to violate basic human rights of its own citizens through systemic repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by UNSCR 688. The Iraqi military routinely harasses residents of the north, and has attempted to "Arabize" the Kurdish, Turcomen, and Assyrian areas in the north. Iraq has not relented in its artillery attacks against civilian population centers in the south, or in its burning and draining operations in the southern marshes, which have forced thousands to flee to neighboring states.

The policies and actions of the Saddam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and security. The U.N. resolutions affirm that the Security Council must be assured of Iraq's peaceful intentions in judging its compliance with sanctions. Because of Iraq's failure to comply fully with these resolutions, the United States will continue to apply economic sanctions to deter it from threatening peace and stability in the region.

WILLIAM J. CLINTON.

THE WHITE HOUSE, February 10, 1997.

#### SPECIAL ORDERS

##### STATUS OF GUAM'S QUEST FOR COMMONWEALTH

The SPEAKER pro tempore (Mr. COLLINS). Under the Speaker's announced policy of January 7, 1997, the gentleman from Guam [Mr. UNDERWOOD] is recognized for 60 minutes as the designee of the minority leader.

Mr. UNDERWOOD. Mr. Speaker, I take this opportunity today to share with the American people and the Congress a compelling story about my home island Guam's quest for an improved political status with the United States.

There is no more pressing political issue for the people of Guam and our island than a political status change from the existing unincorporated territorial status to something which we call commonwealth; a very elastic political term, a term that is used in reference to the Commonwealth of Pennsylvania or the Commonwealth of Massachusetts, but also the Commonwealth of Puerto Rico and the Commonwealth of the Northern Marianas.

The commonwealth we seek is embodied in a piece of legislation and is one which carries out the principles of democracy, self-governance, and economic stability and fairness. We are on a long journey and our goal is an improved relationship with the United States.

Now this year, 1997, is the year before 1998 which will represent the 100th anniversary of the Spanish-American

War, and that of course will finish off the 105th Congress. As many of you will recall from your history classes, Puerto Rico, the Philippines, and Cuba were spoils of that war nearly 100 years ago but, perhaps not often recognized, so was Guam. And for the people of Guam the past 100 years has been representative of a continual colonial status, a status which does not lead to clarity or surety in the final resolution of our relationship with the United States.

How we will commemorate the 100th anniversary of 1898 in many respects will be a measure of how we see ourselves as a society. It is clear that Cuba has been independent for a number of years. The Philippines were independent after World War II. Puerto Rico has a political status, and a defined process may be on the horizon for Puerto Rico as it seeks either independence, continued commonwealth or accession to statehood.

For Guam it is not clear, and for Guam, Guam will then remain the last piece of the puzzle of 100 years that has come from the results of the Spanish-American War.

It is interesting to note that when Spain lost the Spanish-American War, Spain had claims to not only the Philippines but a number of islands in Micronesia, including the Northern Marianas, much of the Caroline Islands, which includes Palau, Yap, and Truk.

Even though the United States had the opportunity to inherit those claims, it chose not to and it only took one island out of the whole Micronesian region, and that island was Guam, and Guam then had the American flag raised over it. The islands to the north of Guam, and which Guam is a part of this chain of islands, the Mariana Islands, and which we are the same ethnic group as those people from the Northern Marianas, subsequently were sold to Germany until the end of World War I. They were then inherited as a League of Nations mandate by Japan as a result of World War I, and then after World War II they became part of the Trust Territory of the Pacific Islands.

It is interesting to note that those islands that went through that entire routing process from Spanish claims to German administration, to Japanese administration under the League of Nations mandate, to American administration under the watchful eyes of the United Nations as a trust territory, have all finally resolved their political status issues. Guam, which has been the longest associated with the United States, since 1898, is the last remaining area of that group which has yet to finally resolve its political status with the United States.

And although there are many benefits to be gained by being associated with the United States for a much longer period of time, apparently resolving the political status box is not one of them. So today our neighboring islands, including the Northern Marianas as now a commonwealth of the

United States, a status which is seen as a better status and more autonomous status than the one we have, even though they have only been associated with the United States since the end of World War II, for a little over 50 years.

In addition to that, there are three independent republics that came out of the trust territory which are in free association with the United States, namely the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands. It is with some sadness that I point this out because it is really the responsibility of the United States to move this process, as well as it is the responsibility of the people of Guam to make clear their desires in terms of their relationship with the United States.

It is particularly incumbent upon this body, in Congress, because Congress is constitutionally mandated to make all decisions regarding material acquisitions and the future political status, rules, regulations, and laws which appertain to those territories.

So that we keep in mind what we are discussing, there are a number of small territories still associated with the United States. They are the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Marianas, and of course the Commonwealth of Puerto Rico, which is seen as different not only because it is much larger than the small territories but because it is also often discussed in terms of a statehood option.

For more than 300 years prior to the Americans coming to Guam in 1898, Guam was a Pacific colony of Spain and as such is marked a little bit different than other Pacific islands. We adopted many Spanish customs, we learned to live with Spanish rulers, we adopted primarily Catholicism as our major religion and we incorporated many Spanish spoken words into our native Chamorro language. And as a result of that we are proud to continue to identify ourselves as proud people, indigenous people, of the Pacific islands, but certainly indeed with a great touch of Hispanicization woven into the cultural and societal fabric of our lives.

One hundred years ago, as I pointed out, the United States took Guam from Spain and established a military government of Guam. Now, Guam was considered at that time a possession of the United States, and it is a mark again of the lack of clarity in the relationship between small territories and the Federal Government, the terms that are used.

Sometimes we are referred to as the territory of the United States, the unincorporated territory of the United States. I have seen documents which refer to us as a protectorate, as a possession, as if we were a thing to be owned and moved around, but in reality the actual term and the appropriate legal term is unincorporated territory of the United States.

An unincorporated territory of the United States means that we are owned

by the United States but that we are not fully part of the United States. And until we change that status, congressional authority, congressional plenary authority remains in full effect and the Constitution applies to Guam only to the extent that Congress sees fit to apply it to Guam.

So one of the main elements of great discussion about political theory today and the appropriate relationship between the Federal Government and the local government is the use of the 10th amendment, where certain powers are reserved to the States or the people. And the concept of devolution in that uses, as a core article, obviously faith in the application of the 10th amendment.

Congress of course, in its wisdom, has made sure that the 10th amendment does not apply to territories. So any powers that are forfeited, in a sense, or acknowledged by the Federal Government to be reserved to local authorities or local governance, it is clearly not the case with the territories.

It was not until after World War II that Guam was referred to as an unincorporated territory, with the passage of the Organic Act of Guam. And the Organic Act of Guam is the governing document, and an organic act simply means an act by Congress to organize a government.

The Navy, for the first 50 years of association with the United States, was the primary instrument of government over Guam, and all of the officers, the commanding officer of the naval station of Guam was also the Governor of Guam. The commander of the marines was also the head of the Department of Public Safety. The Navy chaplain was automatically the head of the Department of Education.

They had a kind of a little system devised that virtually treated people as if they were wards, as if they were people who needed a great deal of tutelage before they were even trusted with the most rudimentary forms of government. And of course the citizenship status of the people was the part that was most cloudy. People were not U.S. citizens but they were not aliens. The Navy had an interesting order called Court Martial Order No. 1923 that held while the natives of Guam are not citizens of the United States, nor are they aliens. There were no means by which they could become citizens.

So unlike aliens who have the opportunity to become citizens, the people of Guam were in a kind of permanent anomalous status, if you will. But they were most often referred to as nationals until the passage of the Organic Act in 1950, and the people of Guam became U.S. citizens.

Prior to the Organic Act in 1950, I guess the historical incident which most marks Guam, at least in the consciousness of most people in the United States today, is the experience during World War II. Guam was the only American territory with people in it to be occupied by an enemy during World

War II, and, in fact, if you go back into the war of 1812, it has been the only American territory that has been invaded and occupied by a foreign power and actually had people in it.

I know a couple of the Aleutian Islands were taken during World War II, but all the civilians, all the people were evacuated from those islands. As it was on Guam, the people were not evacuated and the people endured a very horrific occupation for which in many respects the people still bear scars from that experience.

The one thing that united the people in that experience is that people never lost hope in the Americans coming back to relieve them of the burden that they were experiencing as a result of the Japanese occupation, and many, many stories have come from that, not only for the experience of the people who endured the occupation, but certainly for the incoming marines and sailors who performed many heroic deeds in terms of liberating the island from the Japanese.

In 1950, when the Organic Act of Guam was passed by the U.S. Congress, citizenship was passed along to the people of Guam. And the Organic Act granted the people of Guam a limited form of American citizenship, commonly referred to as statutory citizenship, meaning that Congress also has the authority to take it away. Not that it is going to, but that legally it has the authority to take that citizenship away. And this is very unlike others, the vast majority of American citizens who are so-called constitutional citizens.

Certainly unlike the citizens of any of the 50 States or even the District of Columbia, the citizens of Guam do not enjoy all the full protections of the U.S. Constitution. And by being and by remaining an unincorporated territory, in its current form, the United States has broad powers over the affairs of Guam and ultimately the future of the Chamorro people of Guam.

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What this relationship has meant is that the United States can continue to enjoy the benefits for which Guam was intended. It was no accident that Guam was picked up in 1898 over the other islands. Guam was the largest island in Micronesia. It had the most contact with outside people at that time, and it also was seen as an adequate coaling station for the level of naval technology at the time. And since that time of course we have seen Guam perform a number of roles as a strategic area. It is a major logistical point today, it can be a forward—an area for forward deployment and projection of American power into Asia and the Pacific, and if the military planners did not have the security of knowledge that Guam over any other location in the Pacific and in Asia is a stable and friendly environment for the projection of American military forces, they would have more insecurity in their sleep at night.

Guam is sometimes treated as a part of the United States, and at other times it is treated as if it were a foreign country, and that is part of the anomalous status, but most of the time it is not ignored—it is not ignored at all. I always point this out, that in the course of trying to do legislative work here in Congress, frequently when legislation is passed, unless it specifically mentions Guam or it specifically mentions territories, it is normally ignored, and over the course of the 4 years that I have been here I have always asked this question when legislation is being passed, and I will always hear the reply that it was an oversight to not include Guam, forgive me for my oversight in not thinking about the small territories, an oversight.

I have heard this term many, many times, and I always joke back that maybe we ought to have one big oversight hearing over all the oversights that Guam and some of the small territories have experienced.

Well, the next milestone for Guam politically beyond the Organic Act was in 1970. For the first time the chief executive of the island was elected by the people of Guam. So it has only been approximately 27 years since the people of Guam have had the opportunity to elect their own Governor, and in 1972 the people of Guam were afforded an opportunity to have a delegate, a non-voting delegate, in the U.S. House of Representatives, of which I am the third such individual to be elected to this body. Sending a delegate to Congress meant that our interests could be more effectively protected by someone that the people of Guam sent here, and of course electing our own Governor gave us a great sense of control over local affairs.

But Guam's political status as an unincorporated territory continues to prove unsatisfactory, as we have a number of issues of contention with the Federal Government. As a result of this great discussion that we had in Guam in the late 1960's and through the 1970's, a series of political status hearings were held, and there was a great deal of discussion, and there were a number of elections that took place, and the major political status was held in 1982 to determine what general direction Guam wanted to go if the status quo was to be changed. From a list of six status options the people of Guam choose statehood and commonwealth as the two desired options, and those were put together in a runoff, and as a result of the runoff the overwhelming choice was a commonwealth with 73 percent.

So this led to the task then of drafting the Commonwealth Act, what piece of legislation should we present to Congress as the embodiment of our desires? That resulted in 12 separate sections of the act; each one of those sections were, in turn, ratified by the voters of Guam, and finally in 1988, in February 1988, the Guam Commonwealth Act was given to the leaders of the House and

the Senate as well as the executive branch of the Federal Government. And my predecessor, Congressman Ben Blaz, a retired Marine Corps general of whom we are very proud, was the first one to introduce that. He introduced it twice. I have been here three terms; I have had the honor, distinct honor, of introducing it three times. But in all that time since 1988 we have really had only one congressional hearing on the proposal, and that was held in Honolulu in December 1989.

I might add that despite the enormous distances Honolulu is still 3,500 miles away from Guam. Hundreds of our island residents and leaders went to Honolulu to express their hopes and aspirations. At that time congressional leadership said that before they really could address this, since there were a number of complicated provisions to the Commonwealth Draft Act, they suggested that we work with the executive branch in order to narrow the differences and to enter into formal discussions.

Throughout the Bush and the Clinton administrations interagency task forces of Federal officials have tinkered with the draft commonwealth proposal, and we have seen several constitutional arguments raised, and there have been arguments about specific provisions, and for almost 7 years the people of Guam and their representatives through the Commission on Self Determination have met with Guam officials, and the Federal officials continue to raise objections.

Unfortunately, even though there was a little progress during the administration of President Bush, the interagency task force on the last day of the Bush administration issued a negative report on the draft commonwealth proposal, in effect reneging on many important provisions of the draft act.

When I was first elected in 1992 and sworn into office in 1993, the first piece of legislation which I introduced was the Guam Commonwealth Act, and last month I reintroduced the very same bill, which is now known as H.R. 100, hoping to draw a connection between the 100th anniversary of 1898 coming up next year, in which I hope that we will see final resolution of the political status process for small territories, and in particular Guam.

H.R. 100 is now under review by the President's Special Representative for Guam Commonwealth who is Deputy Secretary of Interior John Garamendi, and he is doing this in conjunction with White House officials and Cabinet level officials. Governor Gutierrez, who is the chairman of the Commission on Self Determination, and I have met with a number of White House officials and various members of the administration on this proposal. It is clear that the manner in which we are approaching this, in which we are hoping to secure the support of the administration, makes the most sense and will clear away most of the problematic

provisions, and hopefully it will eliminate many of the objections before we move this legislation here in Congress.

But the people of Guam must not make the mistake of placing their faith in this process without some hope of success. If we do this, we will pursue commonwealth in a manner which will totally frustrate us. The frustration with the current process, since it has gone on for over 7 years, is sapping some of the strength to our commitment to commonwealth and is leading to the unfortunate feeling of a lack of confidence in the Federal Government's sincerity. But I remain confident, and certainly most of the people of Guam do, that we should not give up on commonwealth. Despite the lack of support and clarity of both administrations and from Washington in general, the people of Guam still remain remarkably united behind commonwealth.

The administration negotiations has gone on rather intensely for the past year, and we have seen a number of time deadlines set, but realistically I think the people of Guam have reached the point that if we do not see this make progress by spring, the people of Guam will be in a position to reevaluate whether the current process that we are engaged in is really the way that we want to go about it and whether indeed we want commonwealth or the kind of commonwealth that we propose.

So this is a very critical time in the negotiation process, and while I commend the Clinton administration for their forthrightness in bringing it to this point, and I also want to commend Governor Gutierrez and all the elected leadership of Guam for bringing it to this point, we have been near this point in the past, and we need to get on with it, and we need to get a clear, strong signal from the administration about their sense of what commonwealth for Guam means and whether they agree with our proposal.

Next year will mark the 100th anniversary of Guam being first a possession of the United States and now an unincorporated territory, but this process with the Clinton administration is not really the culmination of the Commonwealth Draft Act because, as most people in Congress know, and certainly I hope all of them will know by the time we deal with this piece of legislation, Congress retains plenary authority over the territories of the United States through the Constitution.

This is really a congressional call. Political status change is really a congressional call. Progress in the territories and the policies which the Federal Government adopts in the territories is really a congressional call. So I am really requesting the Members of Congress, and particularly the leadership of Congress and those who are particularly responsible for the insular areas, both in the House and in the other body, to take a good strong look

at the commonwealth proposal of Guam, to make it see the light of day, to allow the debate on its provisions to go forward, to give a clear and sensible answer to the people of Guam why their aspirations to be fuller Americans, Americans with more autonomy over their lives, continues to be frustrated after 7 years of discussions.

We have an opportune time in this Congress. We are facing the 100th anniversary of a war that most of us probably do not think about much. But I am certainly going to bring it to the surface as much as I can. In that war the Treaty of Paris of 1898 specifically entrusted the Congress of the United States with the exact obligation to determine the political status of the native inhabitants of Guam. We have not done that in a clear and concise manner, we have not done that in a respectful manner, and I do not think we have done that in a way that is commensurate with the value that Guam has been to the United States through its strategic location for the intervening 100 years.

I hope that as we see the 100th anniversary of the Spanish American War, I pray that the Members of Congress will bring attention to this issue, as I certainly will in collaboration with the leadership of the other territories, as well as, of course, the Commonwealth of Puerto Rico. The 100th anniversary of the Spanish-American War marks an important time period for the United States to, in a sense, come face to face with its imperial past and come face to face with what hopefully will be in the next century a more perfect union not only for the 50 States and the District of Columbia, but all the people who live under the American flag.

#### GAMBLING ADVOCATES SHOULD NOT BE PART OF THE NATIONAL GAMBLING IMPACT STUDY COMMISSION

The SPEAKER pro tempore (Mr. COLLINS). Under the Speaker's announced policy of January 7, 1997, the gentleman from Virginia [Mr. WOLF] is recognized for 60 minutes as the designee of the majority leader.

Mr. WOLF. Mr. Speaker, it has recently been reported that the President of the United States and the minority leader of the House are planning to appoint gambling advocates to the National Gambling Impact Study Commission. Should this come to pass, it would prevent a commission from doing any meaningful work. The President and the minority leader should not appoint individuals with a vested interest in the outcome of the report. They should appoint men and women of good will, able to make an objective and thorough review of gambling.

Why? Because gambling is known to wreak havoc on small businesses, families, and our governmental institutions, and it is time to learn gambling's true impact on the Nation.

As the Washington Post editorialized today, the commissioners were sup-

posed to be appointed on October 2, 1996, prior to the election. Now we have learned that the gambling interests that once gave millions of dollars to both political parties also had a coffee with the President of the United States as some of the infamous White House coffees.

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The Wall Street Journal reported last week that the Oneida Nation donated \$30,000 to the Democratic National Committee on the day that Oneida Chairwoman Deborah Duxtator attended a White House coffee event.

This administration is being scrutinized for the campaign contributions it has received in the campaign-related meetings it has had within the White House. Americans are rightly concerned, Americans of both political parties are rightly concerned, about the President meeting with drug dealers in the White House. They are concerned that China's biggest arms merchant, Mr. Wang, head of the Poly Corp. in China, who was trying to sell assault weapons to street gangs in California, was meeting with the President of the United States in the White House. What a disgrace. The president of the corporation that was selling assault weapons and even shoulder missiles to street gangs in California was meeting with the President of the United States.

Their concern was favor-seeking Indonesian businessmen, and as everyone knows, the Lippo Bank in Indonesia, and I just returned from Indonesia 2 weeks ago where we went to the island of East Timor, where the first Catholic Bishop ever in the history of the world, a winner of the Nobel Peace Prize, and I might say he was appointed and recommended by the gentleman from Ohio [Mr. HALL], from this side of the aisle, won the Nobel Peace Prize. The feeling out in Indonesia and now in the United States is that the Lippo Bank, which is an Indonesian bank, through the Riady family, which is close to the Clinton administration, gave money to the Clinton administration, which has now changed their policy on Indonesia. And we know that in Indonesia, in a little island of East Timor where 700,000 people of the Catholic faith are now being persecuted and the military fear that runs through the island as they are taking young people away in the middle of the night.

So the American people are concerned about this. They are concerned about a reputed Russian mobster, Russian mobster in the White House with coffee, and as this administration says they are concerned about drugs, drug dealers at the White House. So therefore, they are concerned about this whole issue of campaign financing.

Anything the White House does, rightly or wrongly, will be scrutinized in light of these factors.

I call on the President to appoint three honest and decent Americans, people the American people can trust